

Message Text

UNCLASSIFIED

PAGE 01 CAIRO 07199 291130Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 SIL-01 LAB-04
L-03 CIAE-00 INR-07 NSAE-00 SP-02 /036 W
-----291140Z 048578 /11
R 281505Z APR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 4436

UNCLAS CAIRO 7199

E.O. 11652: N/A
TAGS: EFIN
SUBJ: CABINET CONSIDERS TAX REFORM

REF: CAIRO 4684

1. CAIRO DAILIES APRIL 28 FEATURE MEETING OF CABINET UNDER PM SALEM PREVIOUS DAY FOR DISCUSSION, AMONG OTHER SUBJECTS, OF TAX REFORM MEASURE LONG UNDER CONSIDERATION (SEE REFTEL). REPORTS WERE LONG ON GOE'S TAX PHILOSOPHY AND GENERAL POLICIES, AS ENUNCIATED BY PM, BUT VIRTUALLY NO DETAIL ON FORM PROPOSED LEGISLATION WILL TAKE WAS PUBLISHED. ACCORDING ANNOUNCEMENT BY MININFORMATION EL SAWI, PM LISTED SOCIAL JUSTICE, FURTHERANCE OF DEVELOPMENT AND SIMPLIFIED COLLECTION AS GOALS OF NEW TAX LAW. HE SAID MEASURE WILL SEEK PROPER BALANCE BETWEEN DIRECT AND INDIRECT TAXATION SO AS TO ENCOURAGE INVESTMENT AND REWARD PRIVATE INITIATIVE, BUT STRESSED NEED TO COUNTER TAX EVASION.

2. CABINET EVIDENTLY DECIDED ONLY THAT FURTHER STUDY OF PUBLIC REACTION TO TAX REFORM SPECIFICS IS INDICATED, WITHHOLDING CONCURRENCE AT THIS TIME. (PRESIDENT SADAT IS SCHEDULED TO CHAIR CABINET MEETING AT ALEXANDRIA MAY 1.) SUCH A SEAL OF APPROVAL, WHICH REPORTEDLY WAS TO BE FORTHCOMING IN MARCH (REFTEL), IS NECESSARY BEFORE SUBMISSION TO PEOPLES ASSEMBLY.

3. CABINET DID DECIDE, HOWEVER, TO POSTPONE REQUIREMENT FOR
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PAGE 02 CAIRO 07199 291130Z

SUBMISSION OF CONTROVERSIAL WEALTH, OR NET WORTH, DECLARATIONS BY EGYPTIAN TAXPAYERS, PREVIOUS DEADLINE WAS MAY 3.

3. IN RELATED DEVELOPMENTS, PRESS REPORTS THAT MINFIN HAMED. IS STUDYING POSSIBILITY OF COMPUTERIZING TAX ACOCOUNTS AND WEALTH DECLARATION INFORMATION. MINFIN TAX DEPARTMENT OFFICIAL ALSO ANNOUNCED FIRST QUARTER 1977 COLLECTIONS WERE LE 14.2 MILLION

MORE THAN BUDGET ESTIMATE FOR PERIOD OF LE 56 MILLION, PARTLY DUE
TO TWO PERCENT BONUS ACCORDED COLLECTORS FOR REVENUE REALIZED
ABOUT ESTIMATED RECEIPTS.
EILTS

UNQUOTE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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SAS ID: 2670647
Secure: OPEN
Status: NATIVE
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TAGS: EFIN, EG
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